

Revenue Information Bulletin No. 15-038

November 18, 2015

Motor Fuel Tax

Notification of Special Fuels Tax Law Change

Act 147 of the 2015 Regular Session of the Louisiana Legislature repealed R.S. 47:818.101 through 104 and enacted R.S. 818.111 through 818.132. The provisions of Act 147 changed the manner in which fuel tax is collected on compressed natural gas (CNG), liquefied natural gas (LNG), and liquefied petroleum gas (LPG) when used to power a motor fuel vehicle. The tax has been collected by the purchase/issuance of an annual special fuels decal obtained for each vehicle operating on one of these fuels. The decal was renewable each July 1 for the following twelve months. Per Act 147, these decals will no longer be used after December 31, 2015.

Beginning January 1, 2016, the tax on these fuels used to power a motor vehicle will be added to the price of the fuel dispensed at the pump or from a storage facility. The tax levied on CNG and LNG is an aggregate rate of twenty cents (\$.20) per gallon, the same rate as that for conventional fuels. The tax levied on LPG is .146 cents per gallon, which is the energy equivalent rate equal to seventy three percent (73%) of the state tax per gallon on gasoline and diesel fuel. Fuel placed into vehicles owned or operated by state agencies, municipalities, or other political subdivisions is not exempt from the tax.

The tax is to be remitted by the retail dealer or the special fuels fleet dealer as defined within the Act. Louisiana Revised Statute 47:818.2(58) defines “retail dealer” or “dealer” as a person who sells motor fuel at retail or dispenses motor fuel at a retail location to the ultimate consumer. “Special fuel fleet dealer” is defined at RS 47:818.2(63) as a person who produces or purchases CNG, LNG, or LPG and who maintains storage facilities for those fuels and delivers all or part of the fuel produced or stored into the fuel supply tank of a motor vehicle.

Dealers must register with LDR and post a \$50,000 bond. A person may not sell or deliver CNG, LNG, and/or LPG that is delivered into the fuel of supply tank of a motor vehicle and on which tax is imposed unless the person holds a Special Fuel Dealer’s license issued by the secretary. A license will not be issued to an applicant if the applicant or any employee directly involved in the collection and remittance of fuel tax has been convicted of a motor fuel violation or any felony under the laws of Louisiana or the United States. Copies of the Special Fuels Registration Application, R-5018 Special Fuels-Compressed Natural Gas, Liquefied Natural Gas and/ or Liquefied Petroleum Gas Tax Return and Frequently Asked Questions concerning the new tax on special fuels may be obtained from our website at www.revenue.louisiana.gov.

Dealers are required to file R-5018 Special Fuel – Compressed Natural Gas, Liquefied Natural Gas, and/or Liquefied Petroleum Gas Tax Return to determine their tax liability. The return must be filed for each calendar month beginning with January 2016 and is due by the 20th day of the month following the month being reported. Returns and payments not submitted timely are subject to penalty and interest.

Questions should be directed to the Louisiana Department of Revenue’s Taxpayer Compliance-Sales Severance Excise Withholding Tax Unit at 855-307-3893.

Tim Barfield
Secretary